

SPECIAL ORDINANCE NO. S-_____

*Hold
for
2 weeks*
AN ORDINANCE AUTHORIZING THE BOARD OF TRUSTEES OF THE FORT WAYNE COMMUNITY TRUST TO INVEST UP TO \$350,000 OF COMMUNITY TRUST ASSETS IN THE CITY'S INFILL HOUSING DEMONSTRATION PROGRAM PURSUANT TO THE "COMMUNITY INVESTMENT PROGRAM" AND AUTHORIZING OTHER ACTION WITH RESPECT THERETO.

WHEREAS, by General Ordinance No. G-21-75, the Common Council of the City of Fort Wayne established the Fort Wayne Community Trust, which Trust authorizes this Board of Trustees to make certain investments for the benefit of the citizens of the City of Fort Wayne; and

WHEREAS, the Common Council of the City of Fort Wayne has authorized the implementation of a Community Investment Program by Ordinance No. G-11-86; and

WHEREAS, the City has created an Infill Housing Demonstration Program for the purpose of facilitating construction of twenty single-family homes within the City's low-moderate subarea, which area is identified on the attached Exhibit "A"; and

WHEREAS, the Infill Housing Demonstration Program will contribute to the revitalization of housing, expand the tax base, increase water and sewer utility revenues, and provide affordable single-family housing for low to moderate income families, all of which are desirable goals for the advancement of the general welfare of the residents and citizens of the City of Fort Wayne; and

WHEREAS, the Community Investment Program contemplates the use of the City of Fort Wayne Community Trust as an investment vehicle; and

WHEREAS, it is desirable to use the Fort Wayne Community Trust assets to invest in the Infill Housing Demonstration Program in an amount up to \$150,000 during Phase I and up to \$200,000 during Phase II; and

WHEREAS, Housing and Neighborhood Development Services, Inc. (HANDS) is a publicly created not-for-profit corporation with expertise in developing and providing for low and moderate

income housing and therefore is an appropriate entity to monitor and coordinate the Infill Housing Demonstration Program.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE FORT WAYNE COMMUNITY TRUST AS FOLLOWS:

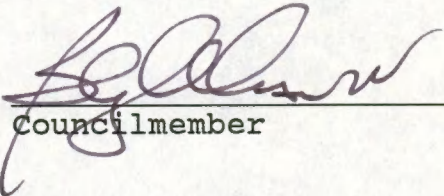
SECTION 1. The Board of Trustees of the Fort Wayne Community Trust hereby adopts the Infill Housing Demonstration Program, which program is initially established in two phases, as such program is described on the attached Exhibit "B".

SECTION 2. For the purpose of implementing the Infill Housing Demonstration Program, the Board of Trustees of the Fort Wayne Community Trust hereby authorized, as a part of the Community Investment Program, to invest up to \$150,000 Trust assets for Phase I in said Infill Housing Demonstration Program. Upon the successful completion of Phase I, the Board of Trustees may convene to authorize the investment of \$200,000 of Trust assets for Phase II in said Infill Housing Demonstration Program. In no case shall any funds for Phase II be expended until authorized by the Board of Trustees and City Council. The type of investment which the Trust is authorized to make shall be in the form of mortgage loans or guarantees of mortgage loans, which loans shall be secured by mortgages on the properties being developed, or link deposits in support of mortgage loans to the Infill Housing Program. In Phase I, no individual property shall be granted a loan in excess of \$50,000 and in Phase II, no individual property shall be granted a loan or loan backing in excess of \$10,000. All payments on mortgages made utilizing Trust Funds paid back to Housing and Neighborhood Development Services, Inc., shall be paid back directly to the Trust Fund on a monthly basis.

SECTION 3. The Board of Trustees of the Fort Wayne Community Trust hereby authorizes and delegates the implementation of the Infill Housing Demonstration Program and the individual qualifications for properties to be included therein to Housing and Neighborhood Development Services, Inc., it being expressly found that HANDS has the expertise in

staffing necessary for the implementation of said program. To
the extent necessary, the Board of Trustees hereby authorizes
HANDS to implement the Infill Housing Demonstration Program and
to determine the investment criteria and lending requirements
for said program. Notwithstanding the foregoing, it shall be
the duty of HANDS to insure that all Trust monies shall be used
as loans or loan guarantees, backed by mortgages on the
properties involved and that no Trust monies shall be used as
grants.

SECTION 4. That this Ordinance shall be in full force and
effect from and after its passage and any and all necessary
approval by the Mayor.


Councilmember

APPROVED AS TO FORM AND LEGALITY

Bruce O. Boxberger, City Attorney

Read the first time in full and on motion by E. Stier
seconded by Stier, and duly adopted, read the second time
by title and referred to the Committee Finance (and the City
Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Chambers, City-County Building, Fort Wayne,
Indiana, on _____, the _____ day of _____,
19_____, at _____ o'clock _____ M., E.

DATE: 8-25-87

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by _____
seconded by _____, and duly adopted, placed on its
passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	_____	_____	_____	_____	_____
<u>BRADBURY</u>	_____	_____	_____	_____	_____
<u>BURNS</u>	_____	_____	_____	_____	_____
<u>EISBART</u>	_____	_____	_____	_____	_____
<u>GiaQUINTA</u>	_____	_____	_____	_____	_____
<u>HENRY</u>	_____	_____	_____	_____	_____
<u>REDD</u>	_____	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	_____	_____	_____	_____
<u>STIER</u>	_____	_____	_____	_____	_____
<u>TALARICO</u>	_____	_____	_____	_____	_____

DATE: _____

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort
Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)
(SPECIAL) (ZONING MAP) ORDINANCE (RESOLUTION) NO. _____
on the _____ day of _____, 19_____,

ATTEST:

(SEAL)

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana,
on the _____ day of _____, 19_____,
at the hour of _____ o'clock _____ M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this _____ day of _____,
19_____, at the hour of _____ o'clock _____ M., E.S.T.

Win Moses, Jr.
WIN MOSES, JR., MAYOR

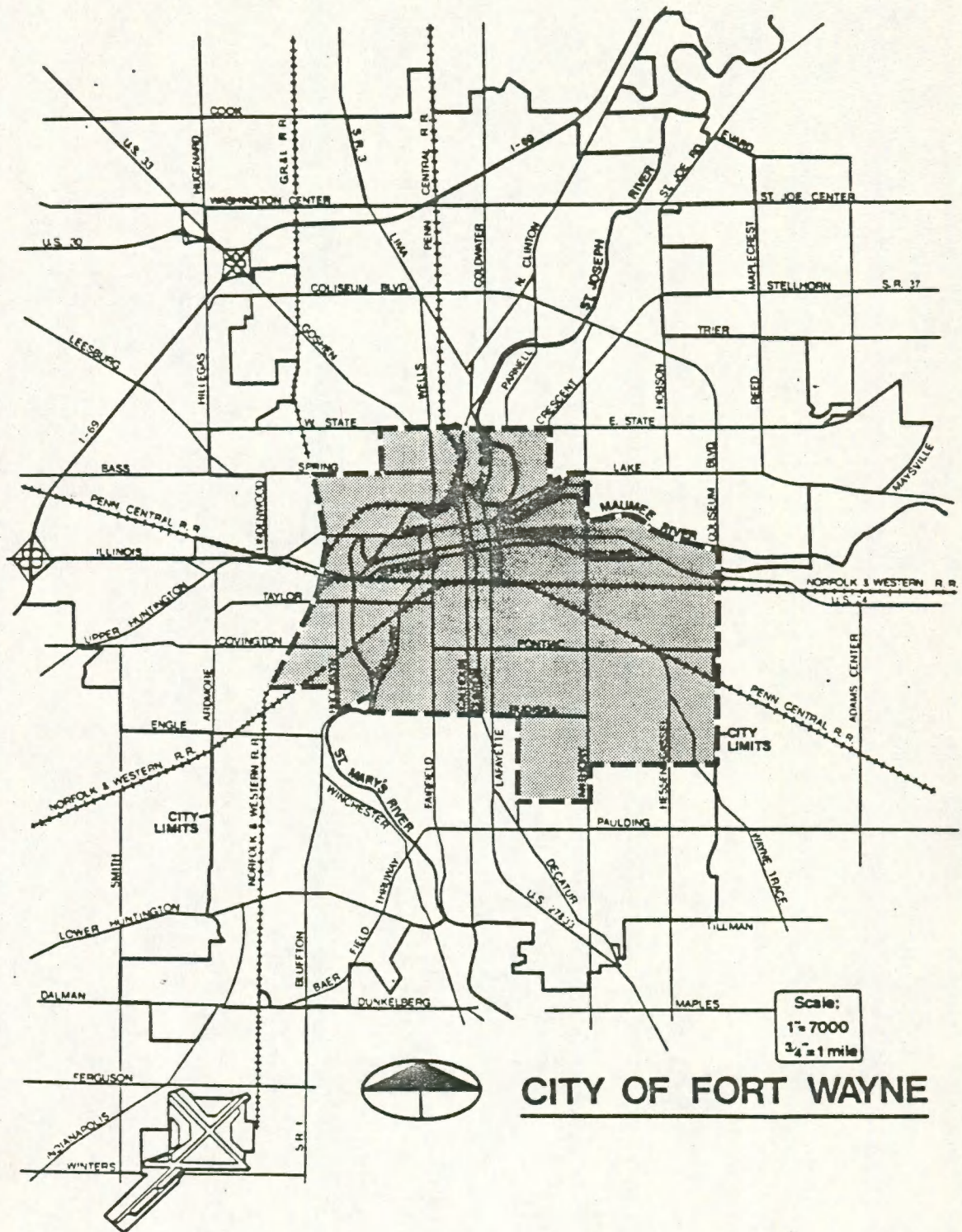


EXHIBIT "A"

EXHIBIT "B"

INFILL HOUSING DEMONSTRATION PROGRAM

SUMMARY

The purpose of the Infill Housing Demonstration Program is to construct new housing on vacant lots in the Central City for owner-occupants. Vacant lot selection will be based on the following criteria to insure a successful program: proximity to schools and commercial districts; a receptive neighborhood association; compatible well-maintained properties; solid infrastructure; and evidence of housing rehabilitation and development projects.

The program will provide numerous benefits to older, deteriorating neighborhoods. First, new housing construction will stimulate private reinvestment and neighborhood revitalization. Second, the improved property values will expand the tax base and increase water and sewer utility revenues. Third, the program will address the demand for increased affordable housing for low and moderate income families in the city. Finally, the program will encourage private developers to consider new construction in older neighborhoods.

The program will be implemented in two phases. In the first phase, three houses will be constructed on vacant lots. The lots will be purchased with Community Development Block Grant funds. The houses will be constructed by private developers with private financing according to local building codes. When the houses are completed, there will be an "open house" for prospective buyers. Buyers will be required to meet FHA underwriting standards. Mortgages will be provided directly with Fort Wayne Community Trust Fund monies at an interest rate of 7-8%. Prices for the homes will average \$40-\$45,000. Average annual utility revenues generated for each house will be \$238 and average annual property taxes will be \$600.

During phase two, seventeen houses will be constructed after firm commitments are received from buyers. Lots will be purchased with CDBG funds or will be acquired from the County where tax reverted lots are available. Houses will cost \$40-45,000 + or - depending on the buyer's interest and

Infill Housing Summary

borrowing capacity. Private mortgage funds will be leveraged for at least 80% of the purchase price of each house. Loans will be originated and serviced by a local lender at reduced rates. Fort Wayne Community Trust fund monies will be used to finance up to 15% of the purchase price at below market interest rates to write-down the effective interest rate on the mortgage. The rate of return on Trust fund monies for this phase of the program will be 7-8%. If 95% financing can be secured from a private lender, trust fund monies will be used to guarantee up to \$10,000 of each mortgage loan. Trust fund interest in the property will be subordinated to the private lender's interest.

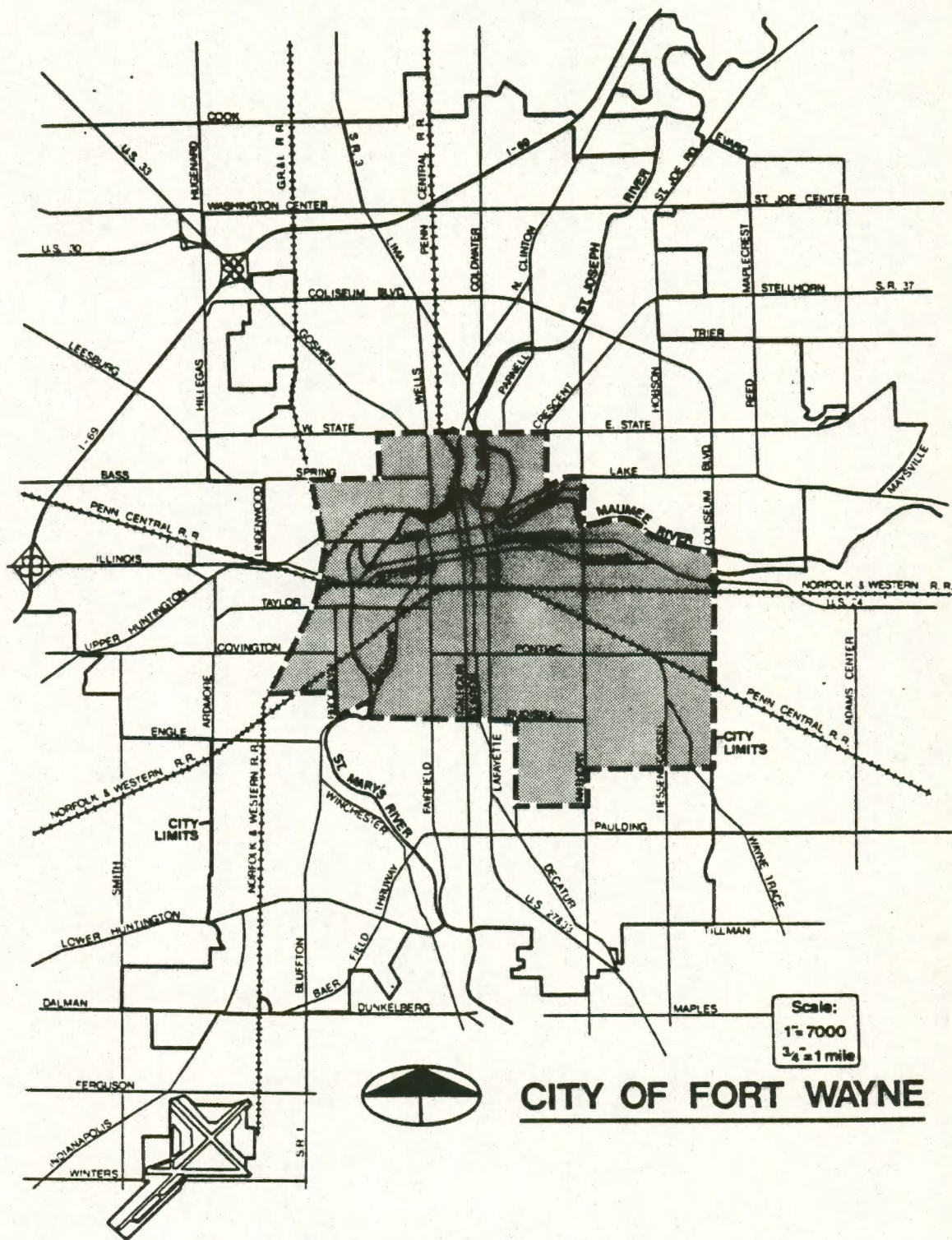


EXHIBIT "A"

EXHIBIT "B"

INFILL HOUSING DEMONSTRATION PROGRAM

PURPOSE

Develop new housing on vacant lots in the Central City for owner-occupants

PROGRAM BENEFITS

Provides affordable housing for moderate-income families

Increases the tax base

Encourages investment not currently being done by the private sector

Stimulates neighborhood reinvestment and revitalization

Leverages private investment

Provides a reasonable rate of return on the Trust Fund

PHASE I

Construct 3 new houses on vacant lots in the Central City

Purchase lots with CDBG funds

Maintain an average home price of \$40-45,000

Provide direct mortgages for the first 3 houses from the Fort Wayne Community Trust Fund at 7-8% interest

Insure that all homebuyers meet FHA Underwriting Standards

Hold an "Open House" for prospective buyers for each of the 3 houses

Create average annual tax and utility revenues per house

- \$600 property taxes
- \$238 water and sewer

PHASE II

Construct 17 new houses on vacant lots after receiving firm commitments from buyers

Purchase lots using CDBG funds or acquire lots from the County where tax reverted lots are available

Maintain an average home cost of \$40-\$45,000 + or
- depending on buyer's interest and borrowing capacity

Leverage private mortgage funds for at least 80% of the purchase price

Secure loan origination and servicing functions at reduced rates through local banks

INFILL HOUSING DEMONSTRATION PROGRAM

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Infill Housing Summary

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1 BILL NO. S-87-08- 35

2 SPECIAL ORDINANCE NO. S-

3 AN ORDINANCE AUTHORIZING THE BOARD OF TRUSTEES
4 OF THE FORT WAYNE COMMUNITY TRUST TO INVEST
5 UP TO \$350,000 OF COMMUNITY TRUST ASSETS IN
6 THE CITY'S INFILL HOUSING DEMONSTRATION PROGRAM
7 PURSUANT TO THE "COMMUNITY INVESTMENT PROGRAM"
8 AND AUTHORIZING OTHER ACTION WITH RESPECT THERETO.

9 WHEREAS, this Common Council has authorized the implemen-
10 tation of a Community Investment Program by Ordinance No. G-11-86;
11 and

12 WHEREAS, the City has created an Infill Housing
13 Demonstration Program for the purpose of facilitating construction
14 of twenty single-family homes within the City's low-moderate subarea,
15 which area is identified on the attached Exhibit "A"; and

16 WHEREAS, the Infill Housing Demonstration Program will
17 contribute to the revitalization of housing, expand the tax base,
18 increase water and sewer utility revenues, and provide affordable
19 single-family housing for low to moderate income families, all of
20 which are desirable goals for the advancement of the general welfare
21 of the residents and citizens of the City of Fort Wayne; and

22 WHEREAS, the Community Investment Program contemplates the
23 use of the City of Fort Wayne Community Trust as an investment
24 vehicle; and

25 WHEREAS, it is desirable to use the Fort Wayne Community
26 Trust assets to invest in the Infill Housing Demonstration Program
27 in an amount up to \$350,000; and

28 WHEREAS, Housing and Neighborhood Development Services,
29 Inc. (HANDS) is a publicly created not-for-profit corporation with
30 expertise in developing and providing for low and moderate income
31 housing and therefore is an appropriate entity to monitor and coor-
32 dinate the Infill Housing Demonstration Program.

33 NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE
34 CITY OF FORT WAYNE, INDIANA:

1 SECTION 1. This Common Council hereby adopts the Infill
2 Housing Demonstration Program, which program is initially
3 established in two phases, as such program is described on the
4 attached Exhibit "B".

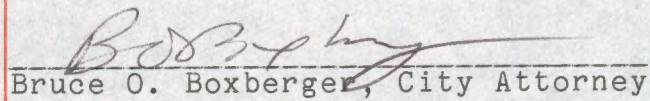
5
6 SECTION 2. For the purpose of implementing the Infill
7 Housing Demonstration Program, the Board of Trustees of the City of
8 Fort Wayne Community Trust are hereby authorized, as a part of the
9 Community Investment Program, to invest up to \$350,000 of Trust
10 assets in said Infill Housing Demonstration Program. The type of
11 investment which the Trust is authorized to make shall be in the
12 form of mortgage loans or guarantees of mortgage loans, which loans
13 shall be secured by mortgages on the properties being developed, or
14 link deposits in support of mortgage loans to the infill project.
15 In Phase I, no individual property shall be granted a loan in excess
16 of \$50,000 and in Phase II, no individual property shall be granted
17 a loan or loan backing in excess of \$10,000.

18
19 SECTION 3. The Board of Trustees of the Fort Wayne
20 Community Trust is hereby authorized to delegate the implementation
21 of the Infill Housing Demonstration Program and the individual
22 qualifications for properties to be included therein to Housing and
23 Neighborhood Development Services, Inc., it being expressly found
24 that HANDS has the expertise in staffing necessary for the implemen-
25 tation of said program. To the extent necessary, the City of Fort
26 Wayne hereby authorizes HANDS to implement the Infill Housing
27 Demonstration Program and to determine the investment criteria and
28 lending requirements for said program. Notwithstanding the
29 foregoing, it shall be the duty of HANDS to insure that all Trust
30 monies shall be used as loans or loan guarantees, backed by mort-
31 gages on the properties involved and that no Trust monies shall be
32 used as grants.

1 SECTION 4. This Ordinance shall be in full force and
2 effect from and after its passage and approval by the Mayor.

3
4  Councilmember

6 APPROVED AS TO FORM AND LEGALITY.

7
8 
9 Bruce O. Boxberger, City Attorney

Told
until
Council members
request it
be brought up
for passage

Review -
with
Ston
Tues.
Oct. 12

BILL NO. S-87-08-35 (as amended)

REPORT OF THE COMMITTEE ON PUBLIC RELATIONS COMMITTEE

WE, YOUR COMMITTEE ON PUBLIC RELATIONS COMMITTEE TO WHOM WAS
REFERRED AN (ORDINANCE) ~~(RESOLUTION)~~ AUTHORIZING THE BOARD OF
TRUSTEES OF THE FORT WAYNE COMMUNITY TRUST TO INVEST UP TO \$350,000
OF COMMUNITY TRUST ASSETS IN THE CITY'S IN~~ILL~~ HOUSING DEMONSTRATION
PROGRAM PURSUANT TO THE "COMMUNITY INVESTMENT PROGRAM" AND AUTHORIZING
OTHER ACTION WITH RESPECT THERETO

HAVE HAD SAID (ORDINANCE) ~~(RESOLUTION)~~ UNDER CONSIDERATION AND BEG
LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID (ORDINANCE)
~~(RESOLUTION)~~

YES

NO

THOMAS C. HENRY
CHAIRMAN

JANET G. BRADBURY
VICE CHAIRPERSON
BEN A. EISBART

CHARLES B. REDD

DONALD J. SCHMIDT

MARK E. GIAQUINTA

PAUL M. BURNS

SAMUEL J. TALARICO

JAMES S. STIER

CONCURRED IN _____

SANDRA E. KENNEDY
CITY CLERK